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SUBJECT: PROMISE OF PROSPERITY RESONATES WITH VILLAGERS IN ARMENIA'S NORTHWEST PROVINCE

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Classified By: CDA A. F. Godfrey for reasons 1.4 (b, d).

SUMMARY

¶1. (SBU) The crocuses are blooming in Yerevan, but it is still winter in the remote villages of Armenia's Shirak province. Though construction dust has displaced the February slush in the relatively well-heeled capital city, Shirak villagers are still burning dried bars of cow dung for heat and contending with pot holes large enough to swallow a small car. And while election campaign posters are sprouting up in Yerevan (illegally, ahead of the official April 8 campaign start date), Shirak villagers' political interest extends only to politicians who they believe might make their lives tangibly better. It is for this reason that Gagik Tsarukian's Prosperous Armenia (PA) party has made significant membership gains in Shirak province. When we visited the area a year ago, PA was nowhere to be found (reftel). During our March 6-7 trip to the region, we found that PA offices had cropped up in many small villages, with a growing membership attracted by the party's philanthropy. We met with government officials, party representatives and NGO staff in Gyumri and six other villages and towns to discuss the political atmosphere leading up to the May 12 parliamentary elections. END SUMMARY.

A WORLD AWAY

¶2. (U) Tucked into the corner of Armenia created by the Turkish and Georgian borders, Shirak province still bears the scars of the 1988 earthquake, which killed tens of thousands of people and leveled Gyumri, Armenia's second-largest city and the provincial capital. Many residents of Gyumri and nearby Spitak, the earthquake's epicenter, fled to villages in the region. Those who have not gone abroad to find work still live in Shirak's villages and towns, many without running water and natural gas, and nearly all without hope for a better future. These were recurring elements in our conversations with government officials, political party representatives and NGO staff in Gyumri, the town of Artik, and the villages of Ashotsk, Gyullibullagh, Tsoghamarg, Azatyan and Dzorakap.

POLITICS? WE DON'T HAVE HEAT!

13. (SBU) Ashotsk Mayor Artur Aloyan told us that the village, a former Soviet industrial center with two factories, had lost nearly 30 percent of its population in the last 10 years, and that about 70 percent of the current population was out of work. (NOTE: The GOAM's official figure is lower because it does not include landowners, however, Aloyan said most of the villagers' land was not arable. END NOTE.)

Families in Ashotsk make their living through remittances from family members working Russia, and by selling milk to the Ashtarak dairy company for 100 dram (about 28 cents) per liter. Their incomes are barely enough to live on, let alone to settle the large debts many of them owe on bank loans.

14. (SBU) According to the mayor of Gyullibullagh, a village peopled by Armenian refugees from the Azerbaijan and where winter temperatures routinely drop down to minus 30 Fahrenheit, some 60 percent of the village's men travel to Russia each year for seasonal construction work. Mayor Seyran Sargsyan told us over glasses of vinegary wine and a plate of moldy apples that, although the villagers keep cattle, the road to the village is so bad that the dairy companies refuse to travel there to pick up the milk.

PROSPEROUS ARMENIA MAKES STRIDES

15. (SBU) The desperate conditions in these villages have pushed political concerns to the back burner, unless residents can see that something is in it for them. Ashotsk, for example, is happy with its Republican parliamentarian, Ashot Aghababyan, because he has reached into his own pockets to help people. He buys presents for schools during the holidays, personally paid for diesel fuel so that a snow plow

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could keep the village road open, and has been known to help out individual families in particularly dire straits. Mayor Aloyan told us he expected a financial gift for the village's school on the occasion of International Women's Day on March 18.

16. (SBU) The PA representative in Ashotsk had no answer to our questions about the party's political goals other than "to help villagers," but that has not prevented people from signing up. We spoke with one villager who had just registered in the party office. He told us he joined because he respected the party founder, oligarch Tsarukian, and because he liked the implication of the name "Prosperous Armenia." "Maybe it will benefit us," he said. Aloyan said PA had given villagers some hope for the future.

17. (SBU) A devoutly communist school director in wintry Tsoghamarg said that Tsarukian had shown he was not

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interested in politics. "He just wants to help people, and that resonated," he said. In the nearby village of Gogovit, PA members have outstripped members of the ruling coalition Republican Party two-to-one. And while PA has not yet reached Gyullibullagh, the party appears to be paving its way there. The mayor there told us PA representatives had distributed New Year's presents to children but had not signed up any new members. "It was just goodwill -- there was no other purpose," he said. Hovhannes Papoyan, the head of an NGO that promotes youth political participation in Azatyan, just south of Gyumri, told us the town's active PA office had made inroads by distributing packets of seeds and helping vulnerable families.

POLITICS AS USUAL IN THE CITY

¶ 18. (C) We found much more anti-PA sentiment in Gyumri, where the political climate was much more similar to that in Yerevan than that in the villages. Orinats Yerkir MP Samvel Balasanyan, who laid out a lavish spread of exotic fruit and fresh pastries for his in the swanky office of his Gyumri Beer brewery, complained that PA was registering people who were already registered with other parties, and that the Republican mayor of Gyumri was pressuring his staff to join the Republican Party. Balasanyan told us that PA undoubtedly was aligned with the Republicans, something that our future interlocutors would echo.

(COMMENT: It became apparent when the Armenian party lists were published March 3 that the Republicans and PA have struck some sort of deal. The two parties only field competing candidates in two of 41 majoritarian districts. In each of the other 39, there is either a Republican candidate or a PA candidate, but not both. END COMMENT.)

¶ 19. (C) The other opposition representatives we met with (from the National Democratic Union, the Armenian National Movement and the Republic Party) complained bitterly about lack of access to broadcast media and said the election results had already been fixed. They reiterated perennial complaints about political pressure from school directors, saying that directors who belong to PA, the Republican Party, or the Armenian Revolutionary Federation (Dashnaks) were forcing parents to join their parties.

¶ 10. (C) Gyumri representatives of the nationalist Dashnak party were unconcerned about their party's prospects, but nevertheless took every opportunity to malign PA. "PA is created around one person," said representative Hovik Petrosyan. "They have support, but they are lacking serious, intelligent political minds." Petrosyan accused PA of padding its membership rolls by photocopying people's passports under other pretenses, a complaint that we have heard before.

FREE AND FAIR, OR NOT A CHANCE?

¶ 11. (C) Human rights activists told us they thought the election was already bought and paid for. Seyran Martirosyan of the Sakharov Foundation said that, as an Armenian, he was ashamed of Prosperous Armenia's campaign tactics. Levon Barseghyan of the Asparez Journalists' Club had harsh words for the Embassy, noting that CDA had spoken optimistically about elections in the press. "I said and repeat that we need to leave behind the presumption that the powers are well-meaning. They are not, and cannot organize fair

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elections," Barseghyan said. He predicted that PA and the Republicans would take at least 70 percent of the seats in parliament through their alliance.

WHY BOTHER VOTING?

¶ 112. (C) Our last stop was in the village of Dzorakap, which is unremarkable except for the fact that its residents have not participated in a national election since 1999. Villagers here live under the same depressed social conditions that we found elsewhere in the province, and have become so disaffected and apathetic that they refuse to go to the polls. But Sahakyan said that might change this year, because one villager is running for a majoritarian seat as an independent candidate. He told us proudly that the villagers of Shirak will not sell their votes, but noted later in the conversation that "no one had offered to help." We left with the distinct impression that PA might be able to recruit some members in Dzorakap if it offered to pave a road or two.

COMMENT

¶13. (C) Concern about politics in general and election fraud in particular is a luxury that most Armenians cannot afford. Though the opposition has complained loudly about PA's campaign techniques and its probable affiliation with the Republicans, Armenia's poor see, at long last, a party that wants to help them. It is clear that PA will pick up many seats in this election; what is not clear is whether the philanthropy will continue after the votes are cast.

GODFREY